

**Annex 1**

**Tax Advisory SOW**

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## STATEMENT OF WORK

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Statement of Work Number: **TAX-001**

Authorized Start Date: Upon Execution

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This Statement of Work ("Statement of Work") incorporates the terms and conditions of the Master Services Agreement between Deloitte LLP, for and on behalf of its subsidiaries, and Jo-Ann Stores, LLC ("Client") dated August 12, 2024 (the "Agreement"). For the purposes of this Statement of Work, Consultant means Deloitte Tax LLP ("Deloitte Tax").

### **Consultant Services Description:**

Deloitte Tax will provide tax advisory Services ("Services") for Client during the period through December 31, 2028. Deloitte Tax professionals will generally be available to provide Services on federal, foreign, state and local tax matters as requested by Client.

Deloitte Tax will provide Services pursuant to this Statement of Work on an as-requested basis, based on a fixed pool of 100 hours during the term of this Statement of Work. The pool of hours will be performed by Deloitte Tax professionals, excluding M&A or Washington National Tax professionals. Time incurred beyond the pool of 100 hours revert back to general consulting rates as outlined with the Fees and Expenses section below. The Services performed under this Statement of Work exclude the following, each of which will be addressed in a separate statement of work: (1) services involving time that will exceed the pool of 100 hours; (2) formal opinion; (3) transfer pricing, or (4) services to be performed by other non-U.S. Deloitte Entities. "Deloitte Entities" means Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its member firms and their respective subsidiaries and affiliates (including Deloitte Tax), their predecessors, successors and assignees, and all partners, principals, members, owners, directors, employees, subcontractors and agents of all such entities. The hours below will not be applied to these excluded services or separate statements of work.

This Statement of Work is intended to establish an overall contractual framework for the provision and delivery of Services to Client, describe the respective responsibilities of Deloitte Tax and Client relating to the Services and the fees Deloitte Tax expects to charge. This Statement of Work does not commit Client to purchase any Services and does not commit Deloitte Tax to provide any Services. Client only becomes committed to purchasing, and Deloitte Tax only becomes committed to providing Services when such Services are (i) requested by Client, and (ii) agreed to by Deloitte Tax in a statement of work (described herein) or otherwise. If/when Deloitte Tax is contacted and agrees to be engaged to provide specific Services, this Statement of Work shall be considered the statement of work.

Client and Deloitte Tax agree that the terms of this Statement of Work and the Agreement will apply to all Services to be provided by Deloitte Tax to Client during the period set forth above, unless such services are the subject of a separate written agreement entered into between Deloitte Tax and Client.

As the specific Service Client wishes to engage Deloitte Tax to provide is identified, Client and Deloitte Tax will execute a separate statement of work when such Service involves contemplated fees in excess of \$25,000. The request for Services should be in a form of a statement of work as set forth in the Agreement (or a substantially similar form). The request for Services should reference the Agreement and clearly describe the specific details of the Services Deloitte Tax will

be engaged to provide pursuant to the statement of work (including scope of work, deliverables, timing, Client responsibilities and fees).

It is contemplated that the Services requested from Deloitte Tax may include oral and written opinions, consulting, recommendations and other communications rendered in response to specific tax questions posed by Client. Deloitte Tax's analysis and response to these tax questions may be based upon a review of various documentation including, but not limited to, legal opinions, books and records (collectively, "books and records") relevant to Client's transactions and business activity that Client provides to Deloitte Tax. With respect to such Services, Deloitte Tax is entitled to assume without independent verification the accuracy of all representations, assumptions, information and data provided by Client and its representatives. Deloitte Tax may ask Client to clarify or supplement information provided in this context.

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### **Estimated Timing of Services and Deliverables:**

Deloitte Tax is prepared to begin and complete the Services at a mutually agreeable date upon execution of this Statement of Work.

### **Fees and Expenses:**

The Deloitte Tax fees for the Services are based on time incurred at the following hourly rates, plus (i) reasonable out-of-pocket expenses and (ii) an allocation of estimated administrative and technology costs incurred (e.g., tax technology, research materials, etc.) equal to five (5) percent of professional fees which are valid through December 31, 2028:

	<u>First 100 hours incurred by Local</u>	<u>Local, in excess of allotted 100 hours</u>	<u>WNT/M&amp;A</u>
Partner/Director	\$250	\$800	\$890
Senior Manager	\$250	\$715	\$750
Manager	\$250	\$605	\$645
Senior	\$250	\$505	\$505
Staff	\$250	\$405	\$405

### **Client Responsibilities:**

In order to facilitate timely completion of the Services, Client agrees to provide Deloitte Tax LLP with access to its tax returns, workpapers, and other data (or requested information) in a timely manner, and will assist Deloitte Tax with obtaining access to Client personnel where necessary to complete the Services.

### **Other Terms (including changes in provisions of the Agreement):**

**TAX POSITIONS, POTENTIAL PENALTIES, TAXING AUTHORITY AUDITS**

In accordance with our professional standards, while in the course of performing our Services should Deloitte Tax become aware of tax return positions for which either Client or Deloitte Tax may be subject to potential penalties by taxing authorities, Deloitte Tax will discuss with Client these positions including how any such penalties may be avoided through adequate disclosures to taxing authorities. Client should be aware that as a tax return preparer, Deloitte Tax may be required to satisfy disclosure requirements that may exceed those applicable to Client.

### **ACKNOWLEDGMENTS AND AGREEMENTS**

The Services will be performed in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants ("AICPA"). Services to be performed by Deloitte Tax will be established by mutual agreement and can be changed or modified in the same manner. Deloitte Tax will promptly inform Client in writing of any circumstances that warrant a change in the scope of the specific services to be provided, and similarly, Client agrees to notify Deloitte Tax promptly if modifications to the Services are requested. All such modifications must be in a mutually executed agreement before performing any additional work or incurring additional fees.

Client acknowledges and agrees that the Services provided pursuant to this Engagement Letter will be based solely upon:

- (a) Client's understanding that Deloitte Tax will only be responsible to provide tax advice with respect to the specific matter, transaction or question actually presented by Client, including the type of tax and the taxing jurisdiction specifically identified by Client (e.g., federal, foreign, state, local, sales, excise, etc.); and
- (b) Client's understanding that Deloitte Tax, as a result of providing such tax advice, is under no obligation to represent Client with respect to any such challenge or an administrative or judicial challenge thereof. Deloitte Tax would generally be available to represent Client before the appropriate taxing authorities, if permissible, for an additional fee that is mutually agreed upon.

In the event of any conflict or inconsistency between the terms of the Agreement and the terms of this Statement of Work, the terms of the Agreement shall control. Notwithstanding the immediately preceding sentence, in the event that this Statement of Work expressly provides that certain provisions therein shall control over specified provisions of the Agreement, then, to the extent that such provisions of the Statement of Work conflict or are inconsistent with the specified provisions of the Agreement, such provisions of the Statement of Work shall control. If a Statement of Work is not executed, as previously described, the terms of the Agreement will apply to the Services provided.

### **CONSENT FOR DISCLOSURE AND USE OF TAX RETURN INFORMATION**

Client authorizes that any and all information (i) furnished to Deloitte Tax for or in connection with the Services under this Statement of Work, (ii) derived or generated by Deloitte Tax from the information described in (i) above, or (iii) associated with prior years' tax return information in the possession of Deloitte Tax may, for a period of up to eight (8) years from the end of the tax year to which the Services relate, be disclosed to and considered and used by any Deloitte Tax affiliate, related entity (or its affiliate) or subcontractor, in each case, whether located within or outside the United States, engaged directly or indirectly in providing Services or administrative support under this Statement of Work, tax planning or preparation of tax returns, audited financial statements, or other financial statements or financial information as required by a government authority, municipality or regulatory body. Disclosures under this paragraph may consist of all information contained in Client's tax returns; if Client wishes to request a more limited disclosure of tax return information, Client must inform Deloitte Tax. Client acknowledges that Client's tax return

information may be disclosed to Deloitte Tax affiliates, related entities (or their affiliates) or subcontractors located outside of the United States.

**Acceptance:**

Please indicate your acceptance of this agreement by signing in the space provided below and returning a copy to our office. Your signature constitutes Client's consent to disclosure and use of Client's tax return information in the manner described above.

Thank you for giving Deloitte Tax the opportunity to serve you. If you have any questions regarding the Services described in this Statement of Work, or any other assistance that Deloitte Tax may provide to you, please feel free to contact Laura Paszt at (216) 589-5405.

**JO-ANN STORES LLC**

Signed by:  
By: Jeffrey Dwyer  
7103EBA0E0B64DA  
Name: Jeffrey Dwyer  
Title: Interim-Chief Financial Officer  
Date: 8/15/2024 | 10:54:05 AM PDT

**DELOITTE TAX LLP**

Signed by:  
By: Laura Paszt  
8A2153233A5E478  
Name: Laura Paszt  
Title: Tax Partner  
Date: 8/14/2024 | 10:03:35 AM PDT  
Address: 127 Public Sq, Cleveland, OH 44114